

PLANNING COMMISSION MINUTES OF SEPTEMBER 26, 2005

2005-0025 - City of Sunnyvale-Study Issue: Community Rooms/Club Houses for Multi-Family Development. This study will consider whether multi-family residential developments should be required to provide community rooms. Amendments to Title 19 (Zoning) may be adopted as part of the study. (Negative Declaration) TF **(Also to City Council on October 4, 2005)**

Troy Fujimoto, Associate Planner, presented the staff report. To address this study issue, staff researched what other South Bay cities do in regards to community rooms and clubhouses, and found that none of the cities researched have a requirement regarding this issue. Staff surveyed local, private developers for their input regarding community rooms in developments. The consensus from the developers was that, while most situations vary, developments of 100 units or more should support a community room facility. He said other issues that can effect the decision of whether a community room should be required are size of units, Home Owner Association (HOA) fees, possible impact on open space and possible increases in deviations. Staff researched history with recent multi-family housing projects in Sunnyvale. Most of the projects that have 100 units and above do provide a community room. Staff has provided alternatives and is recommending Alternative 2. Mr. Fujimoto mentioned a letter that was provided on the dais from the Tri-County California Apartment Association expressing their concerns about this issue.

Comm. Sulser said that at the Study Session there was discussion about an incentive-based recommendation and asked staff to comment about it. **Trudi Ryan**, Planning Officer, said staff could not come up with sufficient incentives to provide incentives in the alternatives. The incentive that was considered was to allow increased density in a development if a community room was provided, but most of the projects presented are having difficulty even meeting the minimum. The only other incentive to consider would be to decrease requirements, i.e., landscaping or open space, but some of the Commissioner's expressed that they did not want to lose those amenities. Comm. Sulser said the report implies that there is more demand for a community room when a complex has smaller-sized units. Mr. Fujimoto said that complexes with smaller units have a greater need for the community room amenity since the residential units are smaller.

Comm. Babcock referred to page 8 of the report that indicates that "The community room, up to a certain size, could count toward the usable open space requirement," commenting that this concerned her. Ms. Ryan said that staff is not recommending this, but it is an option that would allow weighing the importance of the community room and useable space. Ms. Ryan said staff recommends no change to the current useable open space requirement that does not consider structures as useable open space.

Comm. Simons said he would like the Commission to further discuss this item and possibly combine some of the staff recommendations. He asked staff about the possibility of charging in-lieu fees to developments with less than 100 units. He suggested how these fees could be collected and what they could be used for, i.e., occasional use of City facilities for events or meetings. He asked staff if the idea of in-lieu fees had been considered. Ms. Ryan said staff had not completed any evaluation of in-lieu fees as it is not in the scope of this study. Comm. Simons further discussed possible incentives other than increasing the number of units in a development, i.e. allowing larger units, taller units, greater FAR, lower parking requirements, and setbacks as possible incentives on table for developers that would include community rooms in their projects. Ms. Ryan said that staff only considered two incentives, increase in density, or decrease in landscaping or open space, and felt that an incentive should have some relationship to what was being asked for.

Comm. Moylan referred to the memo attached to the report, from Troy Fujimoto, dated September 26, 2005 that addresses HOA fee information for six developments in Sunnyvale. Comm. Moylan commented that it looks like the data suggests that the monthly HOA fees are higher if you have a community room. Mr. Fujimoto explained that there are varying factors involved that effect HOA fees including "reserve issues", the year the project was built, and that similar projects in close proximity of each other can have significant differences in their HOA fees. Mr. Fujimoto said that what the research shows is that the HOA fees are impacted up to 25% when a community room is included. Comm. Moylan commented that an old project and a new project should not have huge differences in contributions to reserves as the reserves are mandated by state law. Mr. Fujimoto said that his discussions with developers determined that each HOA determines its fees and how they are applied to reserves, maintenance, amenities, etc. Comm. Moylan asked why a newer complex might have lower fees. Staff said it could be that an HOA may start out with lower fees and after some time the HOA identifies additional needs and may increase fees.

Chair Hungerford asked how this applies to conversions, i.e., rental apartments being turned into owner-occupied units. Chair Hungerford and staff discussed this and determined that based on the way the draft ordinance is written that any multi-family residential developments that contain 100 or more housing units, including conversions, that a community room or club house should be provided on-site. Ms. Ryan said that staff could take the Commission's direction on this.

Chair Hungerford opened the public hearing.

Harriet Rowe, a Sunnyvale resident, referred to the City Council report of September 20, 2005 entitled, "Setting a Vision for Community Building and Engagement; Results from the June 2005 Community Building Workshop." She said "Vision 9" of this report to the "Quality of Life" of neighborhoods. She said that she feels community rooms contribute to the quality of life of neighborhoods.

She said she belongs to an HOA and described her fees and the various things they cover. She spoke of the values and many types of events that have been held there that have contributed to the quality of life of their neighborhood. She said she likes what is being recommended by staff, requiring a community room for 100 and over unit developments. She said she will take something over nothing, but would still like to see that number dropped to 50 units or even less in the future.

Jack Rowe, a Sunnyvale resident, said the club house has saved enumerable lives over the years by allowing a place to have New Year's Eve parties where no one has to drive home.

Comm. Sulser asked Mr. Rowe which alternative he is supporting. He said he had no quantitative opinion about the issue, but is in support of the community room requirement.

Chair Hungerford closed the public hearing.

Comm. Babcock moved staff recommendation Alternative 2, to "Introduce an ordinance to amend the Municipal Code to require community rooms/ club houses for multi-family residential developments with 100 or more units," and the community rooms may not count as open space requirements. Comm. Sulser seconded.

Comm. Babcock said community rooms are nice, but there are many neighborhoods and communities that get a long without them. She added that with large complexes a community room will help bring cohesiveness. She added that she feels open space is a much more sacred requirement and wants nothing to interfere with the open space requirements.

Comm. Sulser said he has mixed feelings about the requirement of community rooms due to driving up costs, but he does feel they are a wonderful amenity. He said Alternative 2 is a good compromise.

Vice Chair Fussell referred to the letter provided by Tri County. He said he has an issue with the fact that we would "require" a community room. He does like community rooms, but would like the flexibility of looking at each case on an individual basis.

Comm. Klein said he supports the motion, but agrees with Comm. Fussell as far as the requirement. He does think 100 units is a large amount of units and having a community room would be an appropriate amenity. By adding this item to the Municipal Code it pushes developers in that direction. As we take each application on its own merit, this ordinance would encourage developers to include a community room, but it is not a final requirement if the site cannot sustain it.

Comm. Simons said he will be supporting the motion, but has reservations. His concern is with making requirements that may not fit future types of development and that giving discretion to the decision making body accommodates that concern. Things may change down the road with possible mixed-use facilities, and other styles and developments that we do not have right now. He said he hopes there will be flexibility and that this is not going to be a built-in requirement down the road.

Comm. Babcock said that the purpose of this item is to give developers and applicants clear rules of what to follow or not to follow. She said if the other Commissioners want to change the number of units requiring a community room to a larger number that she would be open to that. The Commissioners were in agreement with the 100 and above number.

Comm. Moylan offered a friendly amendment to change the draft ordinance by removing the references to conversions. The friendly amendment was accepted by the maker and seconder.

Comm. Klein said that he saw no problem with the conversion issue in the ordinance.

Chair Hungerford said he wrestled with the conversion factor in the ordinance too. He said we should encourage conversions to owner-occupied housing and would not want to have this ordinance be a disincentive for developers wanting to convert property.

Ms. Ryan commented that if the Commission feels community rooms should not be required, but encouraged, then that should be included in the recommendation rather than make them required and then have to consider deviations on future projects. She explained that unless reworded, the zoning code may not allow deviations to be considered for a community room.

Comm. Babcock asked staff if it would still be an ordinance if we changed the wording to "strongly encourage" rather than "require." Ms. Ryan said if the words "strongly encourage" were used, it would only be a policy. An ordinance should require it and provide situations where the Commission can waive this requirement if the project demonstrates that need. Otherwise have a Council Policy that requires it and then with the policy you have the ability to deviate. Ms. Ryan asked Comm. Babcock if she was suggesting a policy or an ordinance with a waiver provision. Comm. Babcock said she is suggesting more flexibility. Comm. Babcock said this needs more discussion and she would like to hear the other Commissioner's opinions.

Vice Chair Fussell asked if the Commission was talking about Alternative 5, to "Adopt a Council Policy encouraging community rooms/ club houses as part of all

new multi-family residential developments.” Comm. Babcock said she does not like the word “all” and that it should be “100 and over.” Vice Chair Fussell said he would accept that.

Commissioner Babcock withdrew her motion.

Comm. Klein said if we make it a policy it will essentially be a non entity. He said if it is an ordinance it does not hinder development of large communities and the wording of the ordinance will allow flexibility to the Planning Commission or the City Council to make the appropriate decision.

Comm. Simons moved for **Alternative 2**, to introduce an ordinance to amend the Municipal Code to require community rooms/club houses for all multi-family residential developments with 100 or more units, with modifications: hotel/motel conversions to be excluded; community room cannot be used towards the open space requirement; with the flexibility that this can be waived by the approving body. He said he likes this because it avoids the problem of future development that may not fit what the City is doing today. **Comm. Klein** seconded.

Joan Borger, Senior Assistant City Attorney, said the wording of the ordinance could include a provision that states that for condominium conversions of existing apartment units that already have a community room need to retain the room if the site converts to ownership housing. **Comm. Simons** said that this should be an additional modification and that it would apply to conversions with 100 units and above. The modification was accepted by the seconder.

Final Action:

Comm. Simons made a motion on item 2005-0025 for **Alternative 2**, to introduce an ordinance to amend the Municipal Code to require community rooms/club houses for all multi-family residential developments with 100 or more units, with modifications: that hotel/motel conversions be excluded unless there is an existing facility; community room structures cannot be used towards the open space requirement; that the ordinance have the flexibility that the requirement for community rooms/club houses can be waived by the approving body. **Comm. Klein** seconded.

Motion carried 6-1, Vice Chair Fussell dissenting.

This item is to be heard by the City Council on October 4, 2005.